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# Returns of Rewald Sale Won't Approach Debts

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Four suits of English armor and a Rolls-Royce Silver Shadow convertible formerly belonging to Ronald Rewald go on the auction block this weekend.

But proceeds from the sale of those items — and many more — will fall well short of paying back the millions of dollars investors lost in Rewald's company, Bishop, Baldwin, Rewald, Dillingham & Wong.

Bankruptcy administrator Thomas Hayes said he expects the sale of all of Rewald's personal items to bring in, at most, \$150,000.

That will mean that only about \$650,000 will be available to distribute among more than 300 investors, some of whom put more than \$100,000 individually into the bogus investment company. Hayes said there is about \$500,000 in the bankruptcy estate awaiting eventual distribution to investors.

In comparison, bankruptcy attorneys have been paid \$423,000 since the firm collapsed in August 1982.

Hayes said lawyers are usually embarrassed when their fees are larger than what is recovered to pay back to investors.

"PEOPLE DON'T realize that

when we walked in, the amount of money (in the company) was zero," Hayes said. "Anything they get back is more than they would have gotten back if not for the legal effort."

He said that half of the legal fees have gone to fighting Rewald's legal challenge to the court-ordered bankruptcy.

Hayes said the attorneys will continue to file suits against principals in the company who may be liable for some of the missing money. But recovery of that money will be time-consuming.

Rewald claims his company was set up and run as a front for the CIA. He has filed a

multimillion dollar suit against that agency, but it is stalled pending his criminal case. He is charged in a 100-count indictment with defrauding investors and tax evasion.

A federal appeals court decision cleared the way for Saturday's auction.

It will be at the Honolulu Flea Mart, 1789 Kapiolani Blvd. The bankrupt estate was successful in getting the courts to turn over all of Rewald's personal assets, but Rewald's attorney tied up the sale of the items by filing an appeal in San Francisco. Once the appeal was lost, a stay on the sale of Rewald's belongings was lifted.

ON SALE will be all of the trappings of Rewald's conspicuous lifestyle: fast cars, a yacht named after Rewald's wife, English armor, original sketches by Vandyke and Goya, Picasso and Dali lithographs, antique gun and knife collections and sculpture works.

The courts ruled that all were bought by Rewald with investors' money.

Coincidentally, the auction will take place while Rewald is back in Hawaii for the first time in several months.

He has returned on court orders to attend a bail review hearing tomorrow. He is expected to take the stand and explain

what his source of income is now that he has lost his job with Voyager Communications. That company is run by a man who has bought the rights to Rewald's life story.

The government wants to know why Rewald has not paid more to the courts for his defense. He is under order to pay one-fourth of his income to the courts.

On Monday, attorneys will be back in court on Rewald's motion to move the trial out of Hawaii. Federal Public Defender Michael Levine claims Rewald cannot get a fair trial in Hawaii because of all of the publicity surrounding his case.